

**WOOD CREEK CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
June 13, 2012**

DIRECTORS PRESENT:                      Jo Mudd (by Phone)  
   Robert Harrison (by phone)  
   Jim Guzzi (by phone)

MANAGEMENT COMPANY:                Lynn Kiklevich  
   Antoinette Wilson  
   Jason Fries  
   Todd Burnett

Call to Order: The meeting was called to order at 3:10PM MDT

Quorum was established with three of the three board members present.

Approval of March 16, 2012 board meeting minutes.

There was a motion made by Robert Harrison to waive the reading and approve the minutes from the March 16, 2012 board meeting. This motion was seconded by Jim Guzzi and was approved by all board members.

## Manager Report

### **Recap of 2011-12**

The summer of 2011 was another record season for tourism at Crested Butte Mountain Resort. Continued improvements to the bike trail system and the Adventure Park, along with additions of summer events and concerts continue to boost visitation and average length of stay in Mt. Crested Butte. The LIVE! From Mt. CB concert series, the Bluegrass Festival and the 4<sup>th</sup> of July concerts and fireworks were all huge hits and will make return appearances this summer. Also returning to Crested Butte is the USA Pro-Cycling Challenge. CB was one of only three towns chosen to host this cycling tour for two consecutive years.

Summer reservations are again pacing ahead of last year – currently up 7% at CBMR Properties.

Unfortunately, the ski season was also one for the record books – but not in a good way. With only 140 inches of total snow fall (compared to over 400 inches the past two years), skier days fell by 15%. We are hopeful that we can rebound this next year.

Airline Service has been secured for next season and we are very relieved to report that the capacity will remain the same as last year with service from Dallas, Houston and Denver.

### **Maintenance Report**

The CBMR maintenance crew is working on a lot of projects around woodcreek in preparation for the summer season. Their “to-do” list includes:

- Touch up painting in all common areas
- Window Washing- Completed
- Replace /secure courtyard treks boards-Completed
- Seal Parking lot (SealCo)
- Paint exterior window on north and south sides of complex
- Unit balcony railing paint and deck stain/paint
- Paint Outdoor Jacuzzi tub deck railings.
- Jacuzzi Tub equipment housing enclosure siding.
- Repair and replace property light sconces
- Cleaned out maintenance, housekeeping and sprinkler shops. Paint maintenance and housekeeping shop floors
- Installed new outdoor communal grill
- Stain all property tie-wall s around building
- Repair and Paint exterior stucco on building
- Replace cedar boards on north end of building at the foundation level
- Inventory of property windows, screens and balcony sliding screen doors
- Replace and repair exhaust fans located on roof of building
- Plum and install outdoor Jacuzzi tub auto fill
- Outdoor Jacuzzi annual clean
- Installation of photocell light on Jacuzzi tub shed
- Finished drywall repairs in sauna room
- Paint exterior of foundation around building.
- Firewood Inventory/stocking
- Repair/maintain common area heat tape and heaters
- Order and install signage for location of outdoor Jacuzzi tub jet control.

Discussion: Due to code requirements the location of the outdoor tub jet control is not placed in a very convenient location in relation to where the tub is. Robert asked management to ask about getting a variance on the location placement.

The landscaping is looking good, however we are battling irrigation restrictions imposed by Mt. Crested Butte due to our very dry winter and spring.

### **Annual Homeowner Meeting Preparations**

<u>Board Terms</u>	<u>Expiration</u>
Jim Guzzi	2012
Robert Harrison	2013
Joe Mudd	2014

Jim Guzzi disclosed that he would be willing to serve on the board for another term. The meeting is scheduled for July 3rd (Tuesday) at 9:30am. The annual meeting packets will be mailed to owners approximately June 19.

## Financial Report

### **Balance Sheet**

At April 30, 2012, the balance sheet reflects total cash on hand of \$80,535, \$19,615 in operating cash and \$60,921 in the capital reserve account. Accounts Receivable totaled \$25,712 and Accounts Payable was \$8,341. The A/R balance was reduced to \$16,634 by May 31 and the settlement with the owner of units 206 and 303 will clear up \$10,000 of that, leaving \$6,000 in arrears - mainly from units 108 and 109.

### **Income Statement**

At April 30, Operating expenses were \$6,775 under budget. Management anticipates finishing the fiscal year with approximately \$144,381 in total operating expenses, which is \$5,000 under budget and \$6,000 less than last year.

Significant expense variances are as follows:

Contingency – This account is under budget by \$4,200.

Electric – Over budget by \$2,719. An electric heater was installed for the new hot tub, but additional electric costs were not budgeted.

Hot Tub Labor – Over budget by \$1,600. Additional labor was incurred immediately following the installation of the new hot tub. This was partially off-set by savings of almost \$900 in Hot Tub Supplies.

Legal Fees – Over budget by \$1,929. This is due to the foreclosure proceeding on units 206 and 303 and will be reimbursed to the HOA as part of the settlement agreement reached with the unit owner.

Snow Removal – Under budget by \$5,135 due to a very low snow year.

Capital expenses were \$30,370 compared to a budget of \$24,000. This overage is directly related to the new outdoor Jacuzzi tub installation.

**2011-12 Actual Capital**

<b>Item</b>	<b>Actual</b>	<b>Budget</b>
Asphalt Repairs	\$ 1,497	\$ 1,500
Replace Hot Tub with commercial grade tub	\$ 28,103	\$ 18,000
New building logo and signage	\$ 770	\$ 1,000
Contingency	\$ -	\$ 3,000
Re-key the property	\$ -	\$ 3,000
<b>2011-12 Total Capital Projects</b>	<b>\$ 30,370</b>	\$ 26,500

**Fund Balances**

Management is projecting that the HOA will finish the fiscal year with a positive operating margin of \$8,706, resulting in a year-end operating fund balance of \$7,670. The year – end capital fund balance is projected to be \$67,425

**FY2011 Audit**

Included in the board packet was the FY ending June 30, 2011 the audit was clean and no significant adjustments were required. The audit for FY ending 2012 should be ready by the end of August 2012.

**Old Business**

Units 108 & 109

Lynn is still working with the owner of these two units. Mr. Hensley has made an agreement upon acceptance of his bid by the HOA board to remodel the unit balcony decking. He will work off the balance that he owes to the HOA for his dues that are currently in arrears to include any future quarterly dues payable to the HOA upon completion of the remodel project. Lynn will have the HOA attorney Michael O’Loughlin draw up an agreement stating the terms that were agreed upon.

Units 206 & 303

A settlement was reached with the owner of these two units. The terms of the agreement include an initial payment to the HOA of \$6000.00 which was received and posted to his 303 account June 13th. Mr. Grote will then remain current with his future quarterly dues payments to the HOA. Mr. Grote will make a final payment of \$6000.00 by August 30, 2012 to bring his account balance up to date.

### **New Business**

Review and Approval of FY2013 budget.

### **Revenue**

The proposed 2012-13 budget anticipates total operating revenues of \$184,037; \$4,000 more than last year. The proposed budget reflects keeping the monthly operating assessments the same as last year, which results in a budgeted net operating margin of (\$1,359). Because the HOA is carrying forward a good operating surplus from this current year, we don't feel that it is necessary to raise operating assessments at this time.

*However, we propose raising the capital assessment to \$2,666 per month (\$32,000 annually), which is an average increase per unit of \$15 per month. This recommendation is based on approval by the board of the deck reconstruction project discussed last year and its impact on the 10 year capital plan. Please see the capital budget section for more information.*

### **Operating Expenses**

The cumulative operating expenses are budgeted to be \$8,841 more than this year's projected actual expenses. \$5,000 of this increase is in Snow Removal. Other line item adjustments greater than \$1,000 include:

**Contingency** – This account is under budget this year, however, management has proposed keeping the budget the same as last year.

**Electric** – This line item has been budgeted at 6.6% increase based on hot tub electricity usage this summer and a rate increase effective in September.

**Insurance** – The HOA policy is up for renewal every March, so this budget reflects the increase the HOA incurred this past March and an 8% increase that is expected this March based on renewals at our other properties. These increases are due to large losses by the major insurance companies from natural disasters the past two years.

**Legal** – Has been reduced this budget from this year's actual.

**Miscellaneous** – The \$1000 increase reflects the purchase of a new natural gas grill because the existing one is worn out.

The current proposed budget has an operating income of 152K against operating expenses of 153K showing a negative amount of \$1300.00. The HOA will carry over an operating surplus of \$7600.00 from FY2012 so the budgeted deficit will be covered.

### **Capital Expenses**

<b><u>Proposed 2012-13 Capital Projects</u></b>	<b>Capital</b>	<b>Proposed</b>
<b>Item</b>	<b>Plan</b>	<b>Budget</b>
Seal Coat Asphalt	\$ 5,500	\$ 4,700
Paint Exterior Trim/Windowsills - S & W sides	\$ 12,500	\$ 12,500
Roof Membrane repair	\$ 1,200	\$ 1,200
Balcony deck reconstruction	\$ -	\$ 30,000
<b>2012-13 Proposed Total Capital Projects</b>	<b>\$ 19,200</b>	<b>\$ 48,400</b>

The seal coating project was approved by the board at the March 16 meeting. The painting and roof membrane projects are in the current 10 year capital plan. The balcony reconstruction project was discussed by the board last year and CBMR obtained a quote as directed by the board. This quote was included in board packet. Bill Hensley would very much like to do this project for the HOA and have part of his compensation applied to his past due balance on HOA assessments. This was discussed earlier in the meeting under old business.

Discussion: After discussing the pros and cons of the recommended products presented in the bid for the balcony remodels the board made a decision to use the composite material decking verses the pressure treated wood decking. In the long run there is less maintenance upkeep needed to maintain the composite material. The board asked management to make sure that the contractor Hensley construction has a certificate of insurance.

Motion: By Jim Guzzi to approve the 2013 FY budget

Seconded: By Jo Mudd

Vote: Unanimously board approved.

### **Establishment of Next Meeting Date**

The next board meeting will be held immediately after the annual HOA meeting which is scheduled July 3, 2012 at 9:30am MDT.

### **Adjournment**

Motion: By Robert Harrison to adjourn the meeting  
Seconded: By Jim Guzzi  
Vote: Unanimously Board Approved

Meeting was adjourned at 3:52 PM MDT

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Respectfully Submitted  
Antoinette Wilson

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Secretary/ Treasurer